BOJANALA PLATINUM DISTRICT MUNICIPALITY

TARIFF POLICY

2018/2019

1. DEFINITIONS

“Basic municipal services” mean a Municipal service that is necessary to ensure an acceptable and reasonable of life and, if not provided, would endanger public health or safety or the environment

“Council” refers to the Bojanala Platinum District Municipality and its successors in law and includes the Council of that Municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom Executive Committee has delegated any powers and duties with regard to this policy.

“Municipal area” means the area in respect of which the Bojanala Platinum District Municipality has executive and legislative authority as determined by the constitution and the National legislation and demarcate din terms of the Demarcation Act (Act 27 of 1998)

“Tariff policy” means policy on, the levying of fees, rates for the Municipal services provided by the Municipality itself, which complies with the Municipal Systems Act, 2000.

2. GENERAL INTRODUCTION AND OBJECTIVE

2.1 A tariff must be complied, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for Municipal services provided by the Municipality itself or by way services delivery agreements.

2.2 The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 of Municipal Systems Act, 2000 (Act No.32 of 2000).

2.3 In setting its annual tariffs the Council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

2.4 The tariffs policy has been complied to ensure that Municipal services are financially sustainable, affordable and equitable

2.5 And that there is consistency in how tariffs are applied throughout the Municipality

3. GENERAL PRINCIPLES

3.1 Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability to pay of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as relevant criterion. However when setting the tariffs the Council shall consider the impact, which the proposed increases will have on the users in the Municipal area. Because users have no mechanism for passing on such increases to other parties, but must fully absorb the increases concerned, the Council shall ensure that the additional impact of such increases is in keeping with the relevant increase in the consumer price index.

3.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the Municipal region.

3.3 In line with the principles embodied in the Constitution and in other legislation pertaining to Local Government, the Municipality may differentiate between different categories of users and consumers in regard to the tariffs which levies.

Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.

3.4 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all users affected by the tariffs policy concerned.

3.5 The Municipality also undertakes to render its services cost effectively in order to ensure the most economical cost of service delivery concerned; and other directly related to the consumption of the service in question.

4. CATERGORIES OF CONSUMERS

4.1 Tariff structure may be imposed for the following categories of consumers:

a) Business consumers
   i. Commercial consumers
   ii. Industrial consumers
   iii. Agricultural consumers
b) Consumers with whom special agreements were made
c) u
d) Consumers in certain geographical were made
e) Educational institution
f) Welfare organisations

5. NEED FOR A TARIFF POLICY

5.1 The Municipality must have access to adequate of revenue to enable it to carry out its functions. The Municipality must fully utilize the available sources of revenue to meet its development objective.

5.2 Financial sustainable requires that the Municipality must ensure that its budget balances, services are provided at affordable levels and it is able to recover the cost services delivery.

5.3 Effective and efficient usage of resources, this means that Municipality must use the resources in the best possible ways to reap the maximum benefits for the community.

5.4 Budget and Financial affairs of the Municipality must be open to public scrutiny, in accordance with section 22 of the Municipal Finance Management Act no 53 of 2003. The community should be part of the decision making process about how revenue is raised and spent.

6. IMPLEMENTATION OF TARIFFS POLICY

6.1 The Municipality like any other business enterprise is subject to continuous price increase in the goods, material and other resources that it uses to perform its function.

6.2 Tariffs represent the charges levied by the council on consumers for the utilization of services provided by the Municipality. Tariffs may be calculated in various different ways, dependent upon the nature of the services that are provided.

7. MISCELLANEOUS TARIFFS

7.1 Where at all possible all miscellaneous tariffs relating to the Municipality will be standardised.

7.2 All minor tariffs shall be approved by the Council in each annual budget.

7.3 All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

7.4 The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the services concerned

a) Rentals for the use of Municipal premises
b) Issuing of compliance certificates

7.5 The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

a) Penalty and other charges imposed in terms of the approved policy
b) Penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques

7.6 Lease agreements shall be entered into for the lease of municipal properties. Where possible market related rentals will be levied.

8. BY-LAWS: SECTION 75 TO GIVE EFFECT TO POLICY

8.1 The council of the municipality must adopt by-laws to give effect to the implementation and enforcement of its tariff policy

8.2 Such by-laws may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas, but in a manner which does not amount to unfair discrimination.

9. POLICY IMPLEMENTATION

This policy if effective on the 1st July 2018

COUNCIL RESOLUTION NUMBER : R653/17/18

RESOLUTION DATE : 05 June 2018

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MR TSHEPO LENAKE

ACTING MUNICIPAL MANAGER